

# Budget and Planning Committee, Faculty Senate, 09/28/2020 minutes

In attendance: Ken Baker, Tamah Fridman, Phillip Daves, Michael Gelantalis, Cristina Barroso, Eric Lukosi, David Horton, Lisa Driscoll, Alex Rodregues, Kellie Fecteau, Lois Gross

Members not present: Chris Cimino

**Agenda:** Was changed at the last moment as Chris was not able to attend, to: (i) vice chancellors to invite, (ii) financial data analyses to undertake, (iii) who will do what, (vi) miscellaneous.

1. **Vice-chancellors to invite:** athletics, vice-chancellor for research, the provost, and the chancellor, as every year. Will prepare and send questions beforehand.  
**New this year:** Vice-chancellor for student affairs due to recent problems with the students being disenfranchised from their funds (coming from student activities fees, non-state funded) through pressure from the state legislature following the “sex week” educational program organized by students. Need to see how the student activities fees are spent given that now there are reduced student activities due to COVID.
2. **Covid impact on the budget, according to the Board of Trustees Meeting on Oct. 22-23 The net impact on UTK is \$106.9 million** (counting the Spring semester) arising from refunds and revenue reductions \$95.3M, COVID response expenses \$22.3M with the State and Federal grant funding covering \$10.8M. For the details, please see pages 5 and 7 of <https://trustees.tennessee.edu/wp-content/uploads/sites/3/2020/10/FA-Committee-Meeting-Book-Fall-2020.pdf> Athletics needs 40 million. The University expects to loan them the money with the expectation that all of it will be paid back. There was a precedent set over a decade ago when Athletics still reported to the UT System which loaned Athletics about \$2M, which was paid back with interest within the next two years. Not clear whether they can pay back 40 million and what is the time scale. **Need to ask Chris Cimino** where exactly these 40 million will come from and what possibilities will be cut as a result. As an auxiliary enterprise, are they allowed to take a loan from somewhere else? The interest rates now are low.
3. **(A sudden) UT acquisition of Martin Methodist College** - 900 students, low graduation rates (after six years, 32.6%) at Middle TN region bordering Alabama. UT’s six-year graduation rate is 56%. Unclear benefits to UT. Could be a political decision to prevent the non-compete with MTSU as we have in the Nashville area. Not

clear if it is reasonable to invest in real estate in this physical area as we gained the virtual dimension in higher ed and perhaps the “bricks and mortar” will no longer guide the main expansion in higher ed. Martin Methodist College may become another outlet for financial loss similar to the Space Institute.

4. [UT efforts to increase graduation rates](#) have gone on for several years and it would be appropriate to obtain data from the Provost on the costs for these efforts and the measured effectiveness. These could provide data in the due diligence discussions regarding the potential take over of Martin Methodist by the UT System.
5. [Relative to planning](#): 5% more students this year, there will be 5% more upper class students in two years, we are not hiring faculty now (5?.. opportunity hire positions across the entire campus), ?.. The College of Engineering is short on faculty. Another question to ask the provost assuming that the students do not drop out on the way to upper class, how to deal with the increase of the students.
6. [Teaching equipment funding, the technology fee](#): the tech fee claims to provide all students with improved access to the technology infrastructure resources for teaching, learning, and research. However, the funds are only allowed to be used to buy computers or an electronic mannequin but not other equipment necessary for teaching labs. There is a tech fee committee. Their 2020/21 budget is \$6.8 million, 2.4 mil goes to salaries and benefits, 1.5 mil to classroom tech, 0.2 mil to computer labs, 0.76 mil to teaching tools, etc., and 1 mil – departmental awards. The requests for equipment for, say, radiation detection class (detectors, amplifiers, multichannel analyzers) must be submitted only to the departmental awards category that quickly runs out of money and the equipment has to be bought with the out of pocket money. Ask Chris Cimino.
7. [Which analyses are we undertaking this year](#): Living wage: Beauvais Lyons advised that the last was done in 2017-2018 <http://senate.utk.edu/wp-content/uploads/sites/16/2018/04/2017-2018-Living-Wage-Report-4-17-2018.pdf> and ideally, one should be done every five years, so not the time yet. There is a concern that the salary did not go up but the health insurance did and the lowest-paid employees are the most impacted. The gender difference in salary analysis - the university has to do that. Look at the salary as a function of time from the final degree date (years in service, years at UT) and then look if there are gender differences. Graduate students' salary survey.

**Items to follow:** there is a concern for the next academic year enrollment applications, so far it is much below expected.

How much additional outsourcing we may have done related to our COVID response. In

part, this concern is because we could be impacting our health conditions on campus in the process. Hopefully, our new staffing levels in facilities are state workers with health insurance.

Health insurance for graduate students: does not cover anything resulting from pregnancy. Blue Cross for a student is \$184 and for a single employee \$140 a month. Could be state subsidizing a large portion of employees' costs but not students.

**The conclusion:** will invite and schedule the vice chancellors for Athletics, Student Affairs, Research, the Provost, and the Chancellor. Try to start in November, our next meeting is November 23rd, see if we can get Athletics or Student Affairs. Need to create a basic budget primer for the beginner members on the B&P Committee using previous UT budgets at <https://finance.tennessee.edu/budget/documents/> and Chris' presentation in the next meeting.